
CHAPTER 4

Resourcing the Army

To meet urgent strategic requirements, the Army announced its Vision and comprehensive transformation in October 1999. The President's Budget request provides the funds necessary to meet FY2001 transformation requirements. It is a critical first step.

With timely and non-offset funding for any unfunded contingencies, this budget will allow the Army to execute the NMS in FY2001, with the risk noted in Chapter 1. It supports recruiting and retention initiatives, and funds 100 percent of training requirements for AC and ARNG units in the top three resource-priority tiers [force packages (FP)]. Divisions in FP4 are funded at 94 percent of validated requirements, while all other ARNG FP4 units are funded at 100 percent. USAR FP1 through 4 units are funded at 100 percent of validated requirements. The request provides the funding needed to stay on schedule for upgrading barracks

worldwide by FY2008, and for completing a program of strategic mobility enhancements by FY2003. To enable funding of higher priority requirements, the budget request funds Real Property Maintenance (RPM) at 69 percent of annual requirements.

With the support of the Administration and Congress, the Army has charted a course that will better align our capabilities with the requirements of the international security environment, enhancing responsiveness while sustaining dominance at every point on the spectrum of operations. Implementation of the Vision is underway, but it will take a sustained effort to transform the Army into the force America needs to secure its interests in the 21st century. The FY2001 budget request will enable the Army to sustain the momentum we have achieved thus far in our transformation.

Sustaining a Trained and Ready Force

The mission to provide the Nation with decisive landpower capabilities dictates the Army's resource requirements. Sustaining a trained and ready force of high quality people requires a tangible, enduring commitment to the well being of the Army family: our soldiers, civilians, veterans, and family members. Such a commitment encourages retention and helps maintain professionalism and esprit. Properly resourced recruiting, retention, and training operations are also essential. To protect its operations and training accounts, the employment of the force for continuing SSC must be fully funded, and supplemental funding for unforeseen contingencies speedily approved. Adequate investment is also essential to provide the modern, well-maintained equipment and infrastructure

that enables the Army to achieve decisive results at the least cost. Recent efforts by the Administration and Congress have improved funding for Army resource requirements. The FY2001 President's Budget request continues the positive momentum begun with FY2000 defense legislation.

Investing In People

The commitment of our people has been and will always be the heart and soul of our Army's readiness. Our future readiness to cope with full-spectrum challenges is inextricably linked to the well being of our people—soldiers, civilians, veterans, and their families—all of whom selflessly serve our Nation. The intangible rewards of duty to country and membership on a winning team are powerful incentives to serve, but a clear pledge to the well being of the Army's people is also necessary.

Compensation

The pay raise, pay table reform, and retirement reform contained in the FY2000 Defense Authorization and Appropriations Acts sent a message that the Nation recognizes and appreciates military service and sacrifice. The FY2001 budget request provides a pay raise for all military personnel that reflects the congressional authorization for pay raises of one half percent above the Employment Cost Index.

Recruiting and Retention

We face stark challenges both today and in the future concerning our Army personnel and civilian workforce. The requirements for technical and advanced skills will only increase as our means for performing full spectrum operations become more sophisticated. Yet today's booming economy and increased opportunities for higher education have created unprecedented competition for the quality people that fill the Army's ranks today. While Chapter 5 describes the innovative programs the Army is pursuing to attract and retain sufficient numbers of quality soldiers, the importance of adequately resourcing recruiting and retention programs merits discussion in this context also.

The compensation enhancements and support for Army recruiting and retention programs contained in the FY1999 supplemental funding measure as well as in the FY2000 defense legislation have been critical in helping to meet endstrength requirements. This support, along with the efforts of leaders across the Army, helped make FY1999 a tremendously successful year for retention. The Selective Reenlistment Bonus (SRB) program continues to be the Army's most effective tool for retention because it can be targeted to specific locations, as well as to specific grade and skill shortages. Retention

Fiscal Year 2001 Army Budget*

<i>Appropriation</i>	<i>FY00</i>	<i>FY01</i>	<i>Change</i>
Military Personnel	\$27.7	\$28.4	+\$0.7
Operation & Maintenance	23.6	23.8	+ 0.2
Procurement	9.3	9.4	+ 0.1
Research, Development, Test & Evaluation	5.2	5.3	+ 0.1
Military Construction	1.4	1.0	- 0.4
Army Family Housing	1.2	1.1	- 0.1
Base Realignment and Closure	0.1	0.3	+ 0.2
Chemical Demilitarization	1.0	1.0	0.0
Environmental Restoration	0.4	0.4	0.0
Defense Working Capital Funds, Army	0.1	0.0	- 0.1
Total**	\$ 70.0	\$ 70.8	

* Billion, Current \$

** Totals may not add due to rounding

alone, however, is not enough; we must also attract sufficient numbers of recruits. Recruiting costs have more than doubled over the past 14 years, and are now well over \$12,000 per recruit. Continued support for our most effective recruiting incentives, including enlistment bonuses, the Army College Fund, and the Loan Repayment Program, will help meet future requirements.

Training

The Army's training management system provides a framework that enables units to conduct training on key tasks with enough frequency to sustain units' ability to perform their missions in spite of personnel turnover. One function of this system is to identify resource requirements, based on the desirable frequency for conducting mission-essential task training. Combined Arms Training Strategies prescribe the integrated series of live and computer-generated training events deemed necessary to achieve readiness for each type of unit. These strategies provide the basis for ground and air OPTEMPO requirements.

Ground and air OPTEMPO are key metrics used for measuring training resource requirements. Ground OPTEMPO is a measure of the average number of miles per tank required to complete the cycle of training events recommended in the CATS. Since many units do not have tanks, tank-equivalent miles are used to provide a measure of ground OPTEMPO for those units. The Army seeks OPTEMPO funding at 800 miles per tank for AC units, 270 miles per tank for eSBs, 162 miles per tank for ARNG divisions, and 200 tank-equivalent miles for USAR units. Air OPTEMPO is the number of flying hours (per crew, per month) required for annual training requirements. Air OPTEMPO

requirements are 14.5 live flying hours per crew (19.3 hours including simulator time) for AC units, 9.0 flying hours per crew for ARNG units, and 9.5 flying hours per crew for USAR units.

To meet the CINCs' requirements with available resources, Army units are assigned to one of four resource-priority tiers based on their anticipated order of commitment to MTWs. Each tier, or FP, consists of AC and RC forces. The

Smaller-Scale Contingency Operations

The Army is proud of the work its soldiers and civilians are doing in support of SSC operations around the world. Ongoing operations offer clear examples of the Army's central role in engagement. For our people, participation in activities that are reshaping the international security environment is a source of pride and valuable experience.



An officer of the Army National Guard takes a moment to talk with Honduran children during Exercise New Horizons.

FY2001 President's Budget request funds OPTEMPO for AC units at 100 percent of validated requirements. Ground OPTEMPO for ARNG units in FP1 through 3 is also funded at 100 percent of requirements. Divisions in FP4 are funded at 94 percent of validated requirements, while all other ARNG FP4 units are funded at 100 percent. U.S. Army Reserve units in FP1 through 4 are funded at 100 percent of validated requirements.

Sustaining these operations presents a challenge for readiness resourcing. Since SSC operations are generally unforeseen, the expenses associated with the initial operations are paid from the same accounts that fund Army training. Therefore, in the absence of timely reimbursement, SSC operations affect training. Early passage of supplemental funding for operations in Kosovo will preserve the increased investment in training reflected in FY2000 defense

legislation. For FY2001, the President's Budget request includes provisions for advance, non-offset funding of all known SSC operations.

Modernization

The budget request funds the Army's identified transformation requirements for FY2001. Since the announcement of the Vision in October 1999, the Army has identified a requirement for \$1.1 billion to fund FY2001 transformation efforts. Over the past months, we have worked closely with OSD to resource this requirement. The \$100.0 million provided by Congress to assist with our initial efforts is greatly appreciated. It provides the Army with important flexibility as we move forward with this critical endeavor.

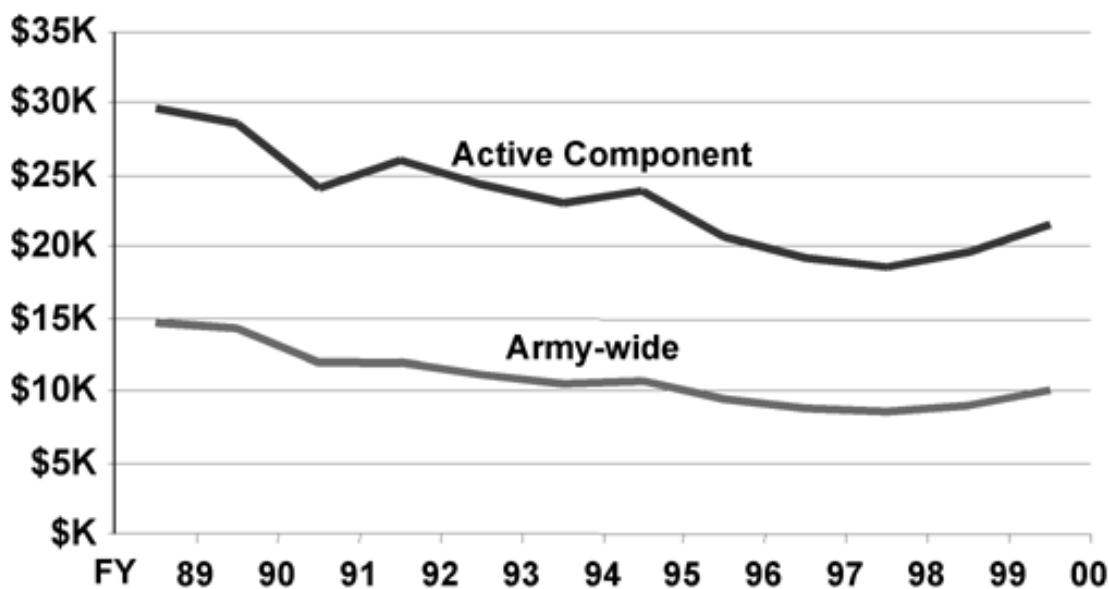
There is more work to be done. Gaining and maintaining support for restructuring Army modernization is essential because, without a carefully

tailored restructuring, we will not have the resources and capabilities to carry out the transformation with acceptable risk. Restructuring Army modernization entails eliminating some programs outright and scaling back others. While the requirements for these systems still exist, Army planners have assessed the benefits and drawbacks of each program against the requirement to stay ready for the full spectrum of operations throughout the transformation. Eliminating or scaling back programs in accordance with this assessment will enable the Army to recoup some money from FY2000 to FY2005 to help fund transformation requirements.

To complete its transformation with acceptable risk, the Army will require support for the entire transformation strategy. In addition to the systems that will enable fielding of the Initial, Interim, and Objective Forces, recapitalization and procurement of some legacy systems is important to maintain equipment superiority and to

keep maintenance time and costs from eroding readiness and buying power. Sustaining selected recapitalization and fielding efforts for systems already programmed is important for ensuring that the Army retains decisive capabilities throughout the transformation.

The transformation of the Army will require the continuing support of the Administration and Congress. We have struggled to balance the requirements of near-term readiness and modernization throughout the last decade. From FY1989 to FY1999, Army buying power decreased by 37 percent. At the same time, the pace of operations increased significantly, forcing some tough choices between near-term readiness, modernization, and infrastructure requirements. The Army accorded near-term readiness a higher resource priority, and this has allowed us to meet the requirements of the NMS while meeting our most critical investment requirements. As a result, Army



Modernization dollars spent per soldier